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March 3, 1997

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Federal Communications Commission  
Office of Secretary

## VIA MESSENGER

William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Re: In the Matter of Amendment of Section 2.106 of the Commission's Rules  
to Allocate Spectrum at 2 GHz for Use by the Mobile-Satellite Service  
ET Docket No. 95-18

Dear Mr. Caton:

On behalf of Hughes Telecommunications and Space Company (HTS) and pursuant to Section 1.1204(b)(7) of the Commission's rules, please be advised that the enclosed materials were delivered on February 11, 1997 to Chairman Reed E. Hundt by Steven D. Dorfman, Executive Vice President of Hughes Electronics and Chairman of HTS.

An original and four copies of this letter are enclosed.

Respectfully submitted,

John P. Janka

Enclosures

No. of Copies rec'd  
List ABCDE

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Steven D. Dorfman Executive Vice President, Hughes Electronics  
Chairman, Hughes Telecommunications and Space Company

February 11, 1996

The Honorable Reed E. Hundt  
Chairman  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, DC 20004

Re: 2 GHz Allocation Matters

Dear Mr. Chairman,

I am writing to request your assistance on an issue of critical importance to the satellite industry: the Commission's upcoming decision to allocate 35 MHz of spectrum in both the uplink and downlink bands for MSS service at 2 GHz. Hughes has a vital interest in this decision as a manufacturer of, investor in, and potential U.S. service provider for, the ICO Global Communications satellite system, which will use this band.

In short, I am very concerned that the current proposal may significantly hinder the provision of MSS, both within and outside of the U.S., by imposing debilitating costs on MSS service providers. As important, the Commission also appears poised to reallocate 20 MHz of scarce spectrum to broadcast interests before fully exploring whether such an allocation would be necessary if broadcasters were incentivized to make more efficient use of the substantial amount of auxiliary services spectrum already allocated to them.

Specifically, I understand that the Commission assumes that existing analog broadcast auxiliary services must vacate 35 MHz of the MSS uplink spectrum, and that this will require the reallocation of 20 MHz to accommodate existing analog broadcast services in spectrum that is now occupied by terrestrial microwave users. This reallocation, in turn, likely will require incumbent microwave users to relocate, perhaps unnecessarily and at best prematurely, to yet another part of the spectrum.

Hughes believes that this potential "double hop" is technically unnecessary and would be needlessly expensive. We think that there are better, more efficient, engineering solutions that can accommodate the reasonable needs of all affected users. Moreover, the cost of implementing this "double hop" could well exceed one billion dollars in the U.S. alone—a prohibitive additional cost for a nascent MSS industry that needs to obtain spectrum access all around the world. And other countries may follow the U.S. lead, which could increase this cost on a global basis by a significant factor. Finally, this cost would put 2 GHz MSS systems at a significant disadvantage to the U.S. licensed L band MSS systems that will not bear any such cost.

The Honorable Reed E. Hundt  
February 11, 1996  
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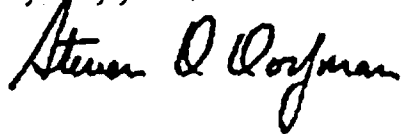
A coalition of satellite companies, including ICO, Hughes, Comsat, Celsat and AMSC, has been working in cooperation with the Telecommunications Industry Association to evaluate frequency sharing scenarios in the MSS downlink band. This group has made substantial progress working out a transition plan with respect to the downlink band. However, we simply have not been provided enough information to determine whether we can achieve a similar result in the uplink band where the broadcast auxiliary service now operates.

One alternative that should be evaluated would be to "phase in" MSS use of the uplink band over the next eight years. We simply do not yet know how many MSS systems will be launched in the next few years, or what their spectrum needs will be in that time frame. There may well be no need to displace any broadcast operations for MSS services. The broadcasters already have agreed that, even in an analog mode, they can "skinny down" their spectrum usage and free up about 15 MHz for MSS. And as the broadcast industry transitions to full digital technology, it likely will be able to provide the same quality of service it provides today with even less auxiliary spectrum. In short, there may be no need to require the relocation of two different 2 GHz incumbent services because the broadcasters ultimately may not need to move into 20 MHz of additional spectrum. But absent some encouragement to go digital, the broadcasters will have no incentive to become more efficient and share their band with anyone else.

In light of these concerns, the satellite industry has proposed that the Commission not take any final action at this time on whether to allocate the 2110-2130 GHz band for the broadcast auxiliary service. Instead, I urge you to explore in a further notice of proposed rulemaking whether there are other, less disruptive, alternatives, such as the transition plan above. In any circumstance, I also urge you to examine the impact that any proposed solution would have on the development of global MSS systems.

I look forward to discussing these issues with you soon.

Very truly yours,

A handwritten signature in black ink, reading "Steven D. Dorfman". The signature is written in a cursive, flowing style.

Steven D. Dorfman